



Community Development Financial Institutions Program

2006 Training Presentation

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Agenda

- CDFI Fund Overview
- 2006 CDFI Program
 - CDFI Certification
 - Application
 - ~ Applicant Eligibility Factors
 - ~ Comprehensive Business Plan
 - ~ Application Charts
 - Submitting the Application
 - Application Review & Awardee Selection Process
- Reporting and Compliance
- Questions and Answers

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CDFI Fund Overview

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CDFI Fund Mission

The mission of the CDFI Fund is to is to expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the United States.

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Programs and Initiatives

- The Fund achieves its mission by directly investing in and supporting Community Development Financial Institutions (CDFIs), Community Development Entities (CDEs), and other financial institutions through the following programs and initiatives:
 - CDFI Program (Financial Assistance (FA) and Technical Assistance (TA)).
 - Bank Enterprise Award (BEA) Program.
 - New Markets Tax Credit (NMTC) Program.
 - Native Initiatives.

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2006 CDFI Program

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CDFI Certification



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CDFI Certification: Background

- A CDFI is a private, non-governmental, profit or non-profit organization whose primary mission is to provide loans or investments in low-income communities or to low-income persons.
- The CDFI must provide services that support financial transactions and must show that it is directly accountable to its customers.



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CDFI Certification: Criteria

An entity must meet all of the following requirements to be certified as a CDFI:

- Legally existing entity.
- Has a **Primary Mission** of promoting community development.
- Is a **Financing Entity**.
- Serves principally an eligible **Target Market**.
- Provides **Development Services** in conjunction with its financing activities.
- Maintains **Accountability** to its defined Target Market.
- Is a **Non-Governmental Entity**, and is not controlled by one or more governmental entities.



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CDFI Certification: CDFI Types

- Loan Funds:
 - Business, Facilities, Micro, Housing, Intermediary.
- Credit Unions.
- Banks or Bank Holding Companies.
- Multi-bank CDCs.
- Venture Capital Funds.



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CDFI Certification: Primary Mission

Purpose:

To determine whether an applicant individually and collectively with its Affiliate(s) has a primary mission of promoting community development.



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CDFI Certification: Financing Entity

Purpose:

To determine whether an applicant is an Insured Depository Institution, Depository Institution Holding Company, or Insured Credit Union, or whether it can otherwise demonstrate that it is a Financing Entity.



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CDFI Certification: Target Market

Purpose:

To determine whether an applicant's activities are principally directed to serving a Target Market or Target Markets.



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CDFI Certification: Development Services

Purpose:

To determine whether an applicant provides Development Services in conjunction with its financing activities.



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CDFI Certification: Accountability

Purpose:

To determine whether an applicant maintains accountability to its defined Target Market.



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CDFI Certification: Non-Government Entity

Purpose:

To determine whether an applicant is a non-government entity and is not controlled by one or more government entities.



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2006 CDFI Program



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CDFI Program: Overview

- Promote economic revitalization and community development through investment in and assistance to CDFIs.
- Help build the capacity of CDFIs to serve eligible Target Markets (e.g., low income people, economically distressed areas, communities lacking adequate access to affordable financial products and services).
- Leverage Fund resources through the provision of a range of investment types.



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FA Awards

- The Fund provides capital, matched by Awardees, to certified CDFIs demonstrating the financial and managerial capacity to serve Target Markets, be viable financial institutions, and effectively use and leverage Fund awards.
- CDFIs use FA awards to further goals such as:
 - Economic development (job creation, business development, commercial real estate development);
 - Affordable housing; and
 - Community development financial services (basic banking services, financial literacy training).
- Maximum award: \$2 million.



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TA Awards

- A TA grant allows a CDFI or an entity proposing to become a CDFI to build its capacity to serve its Target Market.
- TA does not require Matching Funds.
- Maximum TA Award: up to \$100,000 each.
 - The Fund will not make a TA award over this amount, nor will the Fund make an award over the amount requested by the Applicant.



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Major Changes

- Single Application for FA and/or TA.
- Higher cap for SECA awards: up to \$500,000.
- Higher cap on TA grants: up to \$100,000.
- New TA use: recurring operating expenses.
- Consideration for CDFIs located in or serving areas affected by Hurricanes Katrina and Rita.
- Eliminated Priority Points for Hot Zones.
- New definition of Retained Earnings as match.
- Applications submitted through Grants.gov.



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Application



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Table of Contents

- Introduction and Instructions
- Part I: Legal Certifications
- Part II: Emerging CDFI Certification Eligibility Questionnaire
- Part III: Comprehensive Business Plan
 - » Application Charts



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Applicant Eligibility Factors

FA awards are available to:

- **Certified CDFIs:** certification by the Fund has not expired and been terminated by the Fund.
- **Certifiable CDFIs:** entities that are not certified but currently meet all six certification requirements.
 - Must submit certification application by Friday, January 20, 2006 and be certified by time of award.



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Applicant Eligibility Factors

TA Awards are available to:

- Certified CDFIs.
- Certifiable CDFIs.
- Emerging CDFIs: entities that do not currently meet all six certification requirements – but demonstrate a reasonable plan to become certified by December 31, 2008.
 - Must submit Emerging CDFI Eligibility Questionnaire with Application.

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Applicant Eligibility Factors

Certification Status – Required Forms:

- Certified CDFIs or an Applicant with a pending CDFI Certification Application must submit a Certification Material Event Form by January 20, 2006.
 - Available on the Fund's website at www.cdfifund.gov.
- Certifiable CDFIs must submit a CDFI Certification Application by January 20, 2006.
 - Available on the Fund's website at www.cdfifund.gov.
- Emerging CDFIs must submit the Emerging CDFI Eligibility Questionnaire by February 13, 2006 (with rest of funding application).

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Applicant Eligibility Factors

Emerging CDFI Eligibility Questionnaire:

- An Emerging CDFI seeking TA Only must complete and submit the Emerging CDFI Eligibility Questionnaire.
- A Certifiable CDFI seeking TA Only may either submit the Emerging CDFI Eligibility Questionnaire or a CDFI Certification Application.

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Applicant Eligibility Factors

Emerging CDFI Eligibility Questionnaire:

- CDFI Certification Eligibility Checklist
 - Used to identify which certification requirements the Applicant currently meets.
 - If the Applicant cannot answer affirmatively in either column, then it is considered ineligible and should not proceed with the Application.

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Applicant Eligibility Factors

Emerging CDFI Eligibility Questionnaire Instructions:

- Use Word template to address each requirement.
- Narrative must demonstrate that the Applicant currently meets or has a viable plan to meet (including requested TA) each certification requirement by December 31, 2008.
- The Fund will not consider attachments other than the Governing Board list requested under Accountability.
 - Do not submit copies of annual reports, articles of incorporation, or other documents to support this eligibility section, as they will not be reviewed.

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Applicant Eligibility Factors

Emerging CDFI Eligibility Questionnaire:

- The Fund will assess the reasonableness of the plan to become certified – taking into account any requested TA.
 - For example, if the Applicant does not meet the Financing Entity requirement because it has yet to start lending, it might describe how it will use TA to hire a consultant to develop underwriting policies and procedures to support its ability to start lending.

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Applicant Eligibility Factors

Compliance:

- To be eligible to apply, a prior Awardee / Allocatee:
 - Must have all reports current as of February 13, 2006.
 - Must not be barred from applying.
 - Must not be in default of a prior Agreement.
 - Must not have terminated in default of an Agreement with a final reporting period end date in CY 2005.
 - Must have no undisbursed balances > 5% of applicable prior awards.
- Applies to the Applicant as well as any Affiliates.



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Applicant Eligibility Factors

Pending Resolution of Noncompliance:

- If an Applicant (or its Affiliate) has submitted a complete and timely report to the Fund demonstrating noncompliance with a previous Agreement; and
- The Fund has yet to make a final determination as to whether the entity is in default:
 - The Fund will consider the Application pending full resolution of the noncompliance.



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Applicant Eligibility Factors

Calculating Ineligible Undisbursed Fund Balance:

- Prior CDFI or Native Program Awardees:
 - Award dollars that are undisbursed more than 2 years from the date of an assistance agreement
- Prior BEA Awardees:
 - Award dollars that are undisbursed more than 3 years from the date of an award agreement
- All Awardees:
 - Applies to the Applicant and any Affiliates.
- Submit disbursement requests to Grants Management.



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Applicant Eligibility Factors

- For Applicants located in or primarily serving a county within a "major disaster area" as declared by FEMA as a result of Hurricanes Katrina or Rita:
 - The Fund is waiving the following two Eligibility requirements for any Applicant impacted by Hurricanes Katrina or Rita (as defined above):
 - ~ All reports current as of February 13, 2006.
 - ~ No undisbursed balances > 5% of applicable prior awards.



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Applicant Eligibility Factors

Any prior Fund Awardee or Allocatee should:

- Comply with requirements of existing Agreements.
- Ensure that all required reports are submitted by their applicable deadlines.
- Contact the Fund to ensure that all necessary actions are underway for the disbursement or deobligation of any outstanding balance of said prior award(s).
 - Ensure that any outstanding Matching Funds on a prior Award are in-hand and a complete disbursement request is submitted to Grants Management at least 10 business days prior to February 13, 2006 – i.e., by January 30, 2006.



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Applicant Categories

Category I: Small & Emerging CDFI Assistance (SECA)

- Must have received <\$500,000 in FA prior to 2/13/06; **AND**
- Must meet an asset test or an age test as follows:
 - Began operations on or after January 1, 2002; **OR**
 - Has Total Assets as of 12/31/05 as follows:
 - ~ Insured Depository Institution/Holding Company: \$250 million
 - ~ Credit Union or Venture Capital Fund: \$10 million
 - ~ Other CDFIs (Loan Funds): \$5 million
- Award Caps: up to \$500,000 (FA) + up to \$100,000 (TA).



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Applicant Categories

Category II: Core & Sustainable CDFI Assistance (Core)

- Meets all the eligibility criteria described in NOFA.
- Any applicant regardless of size, years in operation, or prior Fund awards, that requests more than \$500,000 in FA.
- Award Caps: up to \$2 million total – including up to \$100,000 in TA.



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Questions and Answers



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Comprehensive Business Plan

- Matching Funds (FA Applicants Only)
- TA Proposal
- Executive Summary
- Market Analysis
- Business Strategy
- Community Development Performance and Effective Use
- Management
- Financial Health and Viability



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Comprehensive Business Plan

- All Applicants must complete the Comprehensive Business Plan (CBP).
- Complete narrative responses in a Word Template and submit via Grants.gov as an attachment.
- Complete Application charts in an Excel file and submit via Grants.gov as an attachment.
- Both Templates are available online.



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Comprehensive Business Plan

- An Applicant should be concise – but answer each question completely.
- The Applicant is responsible for ensuring that all applicable CBP questions and the Application Charts are answered completely – at the time of submission.
- The Fund will not provide an Applicant an opportunity to provide supplemental or “corrected” information for the CBP or the Application charts.



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Comprehensive Business Plan

General Guidance

- The CBP includes a summary and five sections, each of which includes several subcomponents.
- An Applicant must receive at least 50% of the available points in each section to be considered for funding.



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Comprehensive Business Plan

	TA Only Applicants	Category I/SECA	Category II/Core
Market Analysis	25 points	25 points	20 points
Business Strategy	25 points	25 points	20 points
Community Development Performance and Effective Use	20 points	20 points	20 points
Management	20 points	20 points	20 points
Financial Health and Viability	10 points	10 points	20 points
Technical Assistance Proposal	Not Scored	Not Scored	Not Scored

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Matching Funds

- Matching Funds are required for all FA awards.
- Eligible Matching Funds window begins January 1, 2004.
- All Matching Funds must be In-Hand by March 15, 2007.
- Three categories of Matching Funds: In-Hand, Firmly Committed, and To Be Raised.
 - Only a Category I/SECA Applicant may identify Matching Funds To Be Raised.
 - A Category II/Core Applicant must have all funds In Hand or Committed.

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Matching Funds

- Category I / SECA Applicants:
 - 30% of requested Matching Funds In-Hand and/or Firmly Committed by February 13, 2006.
- Categories II / Core Applicants:
 - 100% of Matching Funds In-Hand and/or Firmly Committed by February 13, 2006.
- All applicants:
 - No distinction made between In-Hand and Committed for determining percentages above.
 - Commitments may be contingent upon receipt of Fund award (and other reasonable contingencies).

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Matching Funds

- Matching Funds are not scored, but do relate to the amount of funding that the Applicant can receive.
 - An Applicant with less than the required level of In Hand or Firmly Committed match will only be considered for the amount of funding that corresponds to the Matching Funds evidenced.
 - An Applicant demonstrating no match In-hand or Committed at the time of application will not be considered for a FA award.

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Matching Funds

- Must be comparable in form: grant to grant, loan to loan.
 - Fund cannot match in-kind contributions.
 - Fund can match retained earnings with grant.
- Must be comparable in value: \$1 to \$1.
- Must be from non-Federal sources.
- Must not have been used to match another Federal program.
- Must be to the Applicant.

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Matching Funds

Documentation and Other Requirements:

- Matching Funds Data Chart.
 - Chart A in the Application Charts Excel Workbook.
- Documentation.
 - **In-Hand:** copy of executed documentation showing (i) the form of match, and (ii) that the match was disbursed.
 - **Firmly Committed:** written documentation evidencing that the Applicant has entered into or received a legally binding commitment.
 - **To Be Raised:** letters of interest or documentation demonstrating the likelihood of raising match by 3/15/07.

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Matching Funds

Using Retained Earnings As Matching Funds:

- **For Any Applicant – including a for-profit entity:** The Fund will match Retained Earnings with a grant.
- **For an Applicant other than an ICU:** new formula for calculating Retained Earnings.
 - The increase in operating income minus operating expenses less any dividend payments that has occurred over the Applicant's most recent fiscal year; or
 - The annual average of such increases that occurred over the Applicant's three most recent fiscal years.
- Complete the Retained Earnings Chart for organization type.
 - Chart B in the Application Charts Excel Workbook.

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TA Award Request

- All uses of TA must support one of the key sections of the CBP or the Applicant's ability to meet a certification requirement (if applicable).
- TA Award Ceiling: \$100,000.
 - The Fund will not make a TA award over this amount.
- Generally, all TA funds awarded must be used within 24 months of receipt.

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TA Award Request

- The Fund will not provide funding for the same activities funded by prior awards.
- The Fund will not make an award over \$100,000 or over the amount requested by the Applicant.
- Therefore, an Applicant should consider its organizational needs and projected costs carefully in developing the TA award request.

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TA Award Request

TA Proposal:

- Any Applicant applying for TA, either alone or in conjunction with FA, must complete a TA Proposal (TAP), which consists of the following:
 - Narrative
 - ~ Summary of the organizational improvements needed to achieve the objectives of the CBP,
 - ~ A budget and timeline, and
 - ~ A description of the requested goods and/or services.
 - TA Request Summary Chart
 - ~ Chart C in the Application Charts Excel Workbook.

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TA Award Request

TA Proposal:

- If the Applicant is an Emerging CDFI, it should explain how the requested TA will assist in meeting any certification requirements.
- If the Applicant is a prior Fund Awardee:
 - Describe how it used the previous TA award.
 - Explain the need for additional Fund dollars over and above such prior assistance.
 - Describe the additional benefits that would accrue to its capacity or to the Target Market if it receives another award.

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TA Awards

In addition to the TAP, for each major section of the CBP, the Applicant will describe and justify how the requested TA supports that section of the CBP.

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Eligible TA Uses: Consulting

- General Use: acquire external expertise that will increase its capacity to serve and benefit its Target Market.
 - Should be non-recurring, product specific, and closely linked to the achievement of the Applicant's CBP.
- Examples:
 - Developing lending policies and procedures.
 - Developing a market analysis.
 - Providing recommendations for improving information technology.

Eligible TA Uses: Technology

- General Use: acquire new technology or enhance existing technology to serve Target Market better, including upgrading capacity to collect, electronically track, and report community development impact data.
 - Includes hardware, software, and office equipment.
- Examples:
 - Acquiring and installing accounting software, computers, laptops, and related peripherals.
 - Acquiring and installing a new photocopier.
 - Acquiring and installing a local area network (LAN).
 - Expanding or upgrading any of the above.

Eligible TA Uses: Training

- General Use: acquire external training for staff, volunteers, or Governing Board to increase effectiveness of existing and future administrative operations and programs by developing its human capital.
 - Costs associated with training customers and volunteers are not eligible under Training, but may be eligible under Operating Expenses.
 - Travel costs associated with attending the training can be included.
- Examples:
 - Staff training in loan underwriting.
 - New Board member training in CDFI operations.

Eligible TA Uses: Operating Expenses

- General Use: any expenses allowable under OMB Circular A-87 including those considered "ongoing" or "recurring" that were previously unallowable.
- Examples:
 - Covering salary and benefits for new loan officer or other critical position.
 - Funding expansion or relocation of the Applicant's office.
 - Hiring a consultant to provide Development Services on behalf of the Applicant.
 - Repairing facilities or relocating required for restoration of operations due to hurricane damage – to the extent not covered by insurance.

Eligible TA Uses: Operating Expenses

- Applicant must:
 - Demonstrate that the activity will enhance its capacity to serve its Target Market (such as plans for expansion of staff, market, or products) and/or to become certified as a CDFI; and
 - Link the activity to the achievement of a capacity building objective.
- A more established or larger Applicant should pay particular attention to making the case for how the requested recurring activity will improve its capacity.

Ineligible TA Uses

- Preparing funding proposals or other fundraising activities.
- Overseeing consultants' activities.
- Costs incurred prior to receipt of a Notice of Award even if the activity is otherwise eligible.

Completing the CBP

- If an Applicant is seeking TA Only, it must generally answer the same questions as an Applicant seeking FA.
- However, the Fund expects that the response from a TA Only Applicant will be shorter (e.g., 1-2 paragraphs versus 1-2 pages) and have less detail than for an FA Applicant.
- The CBP template includes guidance on the expected length of each narrative based on the applicant type.

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Executive Summary

- Narrative describing the Applicant's mission, key products and services, community development track record, and impacts to date in its Target Market.
 - An Applicant should summarize the key elements of its CBP, expected outcomes, and proposed uses of FA and TA, if applicable.
- An Emerging CDFI should also discuss plans to become certified as a CDFI, particularly focusing on its plans to begin its financing activities, and to begin providing Development Services.

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Market Analysis

Charts and Attachments Used to Evaluate this Section:

- Activities Level Chart
 - Chart D in the Application Charts Excel Workbook

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Market Analysis

Narrative:

1. Briefly describe the Applicant's current or proposed Target Market.
2. Describe the need for the CDFI by providing a sense of the financial marketplace currently available to the community.
3. Discuss the demand for the Applicant's Financial Products, Development Services, and/or Financial Services within the Target Market.
4. TA Request Narrative.

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Business Strategy

Charts and Attachments Used to Evaluate this Section:

- Activities Level Chart
 - Chart D in the Application Charts Excel Workbook

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Business Strategy

Narrative:

5. Describe the Applicant's Financial Products and Financial Services.
6. Describe the Applicant's Development Services.
7. Describe the Applicant's marketing, outreach, and delivery strategy.
8. Discuss the Applicant's collaboration, coordination, and partnerships.
9. TA Request Narrative.

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CD Performance / Effective Use

Charts and Attachments Used to Evaluate this Section:

- Activities Level Chart
 - Chart D in the Application Charts Excel Workbook
- Community Development Impacts Chart
 - Chart E in the Application Charts Excel Workbook



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CD Performance / Effective Use

Narrative:

10. Describe the Applicant's community development objectives and how progress toward those objectives is measured.
11. Describe the Applicant's track record in providing Financial Products, Development Services, and/or Financial Services.



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CD Performance / Effective Use

Narrative (continued):

12. Discuss how the requested award will enable the Applicant to build its capacity as a CDFI.
13. Discuss why the Applicant should receive a Fund award given the Fund's limited resources.
14. Prior Awardees.
15. TA Request Narrative.



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Management

Charts and Attachments Used to Evaluate this Section:

- Organizational Chart
 - Show all positions and reporting relationships as of Application deadline, including (1) Governing Board; (2) management; (3) staff including shared or donated staff from other organizations or Affiliates; and (4) volunteers and consultants who are an integral part of the Applicant's operations.
- Up-to-date resumes of key board members (e.g., Board chair, advisory board, key committees, etc.), management, and key staff.



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Management

Narrative:

16. Describe the capacity, skills, size and experience of the Applicant's current and/or proposed Governing Board.
17. Describe the capacity, skills, and experience of the Applicant's current and/or proposed management team and key staff
18. Describe the Applicant's underwriting policies and procedures.
19. Describe the Applicant's portfolio monitoring policies and procedures.



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Management

Narrative (continued):

20. Describe the Applicant's financial and risk management policies and procedures.
21. Describe the Applicant's MIS.
22. Discuss the extent to which the Applicant has in place the systems and procedures to ensure ongoing compliance.
23. Describe any plans in place or being developed for the Applicant to merge with, acquire, or be acquired by another entity.
24. TA Request Narrative.



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Financial Health and Viability

Charts and Attachments Used to Evaluate this Section:

- Financial Data Input Chart.
 - Chart F in the Application Charts Excel Workbook.
- Financial Statements for the 3 most recently completed fiscal years.
- Loan Portfolio Quality Chart.
 - Chart G in the Application Charts Excel Workbook.
- Equity Investment Portfolio Valuation Chart.
 - Chart H in the Application Charts Excel Workbook.



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Financial Health and Viability

Narrative:

25. Describe the type of Financial Statements included with the Application, audited, reviewed, internally prepared.
26. Provide key assumptions underlying the projections for the projected three years (FY 2006-FY 2008) identified in the Financial Data Input Chart.



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Financial Health and Viability

Narrative (continued):

27. For each Financial Ratio:
 - State the ratio calculated on the Financial Data Input chart and whether it meets the MPS.
 - Explain the expectation or goal for this ratio and how those expectations were developed and documented.
 - For regulated Applicants, discuss any regulatory constraints or agreements affecting the MPS.
 - If the ratio does not meet the MPS:
 - ~ Explain why the Applicant is financially sound although it does not meet the MPS; or
 - ~ Explain how requested FA or TA will affect the ratio.



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Financial Health and Viability

Narrative (continued):

28. Portfolio Management Ratios.
 - Compare 3-year average historical ratios calculated on the Loan Portfolio Quality Chart (Chart G) to the applicable MPS.
 - Use the narrative responses to explain any discrepancies.
 - ~ Overall MPS should be based on the product with the largest dollar percentage in your portfolio at the close of your last fiscal year.



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Financial Health and Viability

Narrative (continued):

29. Equity Investor Financial Health
 - Applicable to Venture Capital Funds.
30. TA Request Narrative.



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Application Charts

- A. Matching Funds Data Chart
- B. Matching Funds Retained Earnings Calculators
- C. TA Request Summary Chart
- D. Activities Level Chart
- E. Community Development Impact Chart
- F. Financial Data Input Chart
- G. Loan Portfolio Quality Chart
- H. Equity Investment Portfolio Valuation Chart



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Submitting the Application

Application Materials

- Standard Form (SF) 424
- Environmental and Legal Certifications (as applicable)
- Emerging CDFI Eligibility Questionnaire (as applicable)
- Comprehensive Business Plan (CBP)
 - CBP Questions.
 - Application Charts.
- Paper Attachments

Grants.gov

- The Fund is now required to accept CDFI Program Applications only through Grants.gov, the official Federal government-wide E-grant website, in compliance with Public Law 106-107 and Section 5(a) of the Federal Financial Assistance Management Improvement Act.
- Review the "Instructions for Accessing and Submitting the Application via Grants.gov" for further instructions on completing the application process.

Grants.gov Homepage



Steps Covered in the Instructions

- Step 1: Install the PureEdge Viewer.
- Step 2: Register Applicant Organization with Grants.gov.
- Step 3: Access and Save Application Materials.
- Step 4: Create and Save the PureEdge "Grant Application Package" File.
- Step 5: Completing the SF-424.
- Step 6: Uploading Application Attachments for Final Submission.
- Step 7: Submitting the Final Application Package.

Registering on Grants.gov

You cannot submit the Application without first registering on Grants.gov.

- The 1-time registration process takes 3-5 days.
- Start the registration process now.
- Registration information is located in the **Get Started** screen of Grants.gov.

Obtaining Application Materials

- After downloading the PureEdge Viewer and completing the registration process with Grants.gov, you will need to access the Application materials and save them to your computer.
- You will need to know one of the following two numbers to call up the CDFI Program 2006 Application:
 - CFDA Number: 21.020
 - Funding Opportunity Number: CDFI-FATA-06

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A Note About Terminology...

Electronic Portion of the Application in Grants.gov consists of two main elements:

- Application Instructions.
 - Environmental and Legal Certifications.
 - Emerging CDFI Eligibility Questionnaire (as applicable).
 - CBP Questions.
 - Application Charts.
- Application Package.
 - PureEdge Grant Application Package Screen
 - SF 424: Application for Federal Assistance.

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Starting Point for Downloading Application

Under **APPLY** on the left side of the screen, click on **Download Application Package**.

This will take you to the **Selected Grant Applications for Download** screen...



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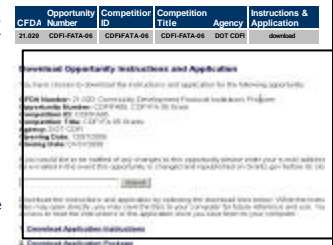
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Download the Application Instructions

At the bottom of the **Selected Grant Applications for Download** screen, you will see the box pictured to the right →

Click **Download** under **Instructions and Application**...which will take you to the **Download Opportunity Instructions and Application** screen →

Click **Download Application Instructions** to download the Application Materials (i.e., the templates) and save to your computer.



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Download the Application Package

Return to the **Download Opportunity Instructions and Application** page.

Click option 2, **Download Application Package**.

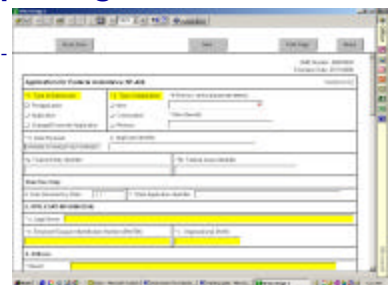
This opens a file in the PureEdge software ↑ where you will complete the SF-424 and upload the Application materials (referred to here as the **Attachments**) completed offline.



Completing the SF-424

You can enter data on the SF-424 at any time.

Click **Close Form** to save and return to the **Grant Application Package** screen.



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Uploading Application Attachments

Return to the **Grant Application Package** screen.

Under **Mandatory Documents**: select **Attachments** then click on **Open Form**.

A table will open → allowing you to upload each of the documents you've completed.

Document Type	Status	Actions
1) Research Information	Approved SF-424 only	View Document Download
2) Research Information	SF-424 Not Yet	View Document Download
3) Research Information	CFR-424 Not Yet	View Document Download
4) Research Information	Emerging SF-424 Questionnaire	View Document Download
5) Research Information	Research Information	View Document Download
6) Research Information	Research Information	View Document Download
7) Research Information	Research Information	View Document Download

Submitting the Final Application Package

Click on the arrow button between the two boxes to move **Mandatory Documents** from the box on the left to the box on the right labeled **Mandatory Documents Completed for Submission**.

Click Submit to send the SF-424 plus the Attachments to the Fund as your final Application submission.

Deadlines

- **Electronic Application**: Submitted through Grants.gov by **5:00 p.m. ET, February 13, 2006**.
- **Paper Attachments**: Submitted to BPD address below by **5:00 p.m. ET, February 16, 2006**:

CDFI Fund Grants Manager
CDFI Program
Bureau of Public Debt
200 Third Street
Parkersburg, WV 26101-5312
(304) 480-6088

Don't Forget the Paper Attachments

- Send Paper Attachments to BPD with SF-424 as Cover:
 - Matching Funds Documentation (as applicable).
 - Financial Statements.
 - Org Chart and Resumes.
 - IRS Documentation of EIN.
- You can print the SF-424 once you have completed it – but before you have submitted it.

No Appeals for Lateness

- No exceptions or waivers for late submission via Grants.gov or delivery of attachments to BPD.
 - This includes late delivery caused by third parties such as the US Postal Service, couriers, or overnight delivery services.
- Allow at least 3 business days for overnight delivery to BPD's offices in West Virginia. Allow even longer if using first class postal mail delivery.
 - Saturday and Sunday are not business days!

A Complete Application...

- A complete Application is one that includes all required material described on the Application Checklist.
 - No Applicant will be given an opportunity to provide a missing SF 424 or missing EIN.
 - The Fund will allow two business days for an Applicant to submit the following items if missing or incomplete:
 - ~ IRS Documentation of the Applicant's EIN.
 - ~ DUNS Number (Federal requirement).
 - ~ Emerging CDFI Eligibility Questionnaire.
 - ~ Environmental & Legal Certifications
 - ~ Certification of Material Events (as applicable)

myCDFIFund Account

- Applicants are required to log-in, or register to create an account, in myCDFIFund.
- Features of myCDFIFund
 - CIMS (Mapping)
 - Receive Notice of Awards and Debriefing Documents
 - Primary mode of communication with awardees

Application Review and Awardee Selection Process

Review Process

- Completeness Review.
- Eligibility Review.
- 2-part Substantive Review.
 - Team of 3 readers score based on evaluation criteria.
 - Fund staff follow up on issues, perform compliance scoring, review matching funds, make final recommendation to Selecting Official.
- Selecting Official Award Decisions.
- Grants Management Review.
- Financial Management Award Obligation.
- Award notifications.

Scoring: Phase 1

- Evaluate and Score CBP on a 100-point scale with certain points assigned for each of the five sections.
 - TA Only Applications are reviewed and scored by a single reviewer.
 - FA Applications are reviewed and scored initially by a team of three readers who establish a base score.

Scoring: Point Deductions

Prior Awardees or Allocatees applying for FA:

- The Fund will deduct points from the base score for FA deobligated from a FY 2003, FY 2004 or FY 2005 award if:
 - The amount of deobligated funds is at least \$200,000; and
 - The deobligation occurred subsequent to the expiration of the period of funds availability (generally, after September 30th following the year in which the award was made).

Scoring: Point Deductions

Prior Awardees or Allocatees applying for FA and/or TA:

- Assessment of ability to carry out CBP includes evaluation and possible point deductions for:
 - Noncompliance with any active award or award that terminated in calendar year 2005.
 - Failure to make timely loan payments to the Fund during 2 completed fiscal years prior to 2/13/2006.
 - Overall performance on a prior Agreement.

Scoring: Non-Compliance

- Non-Compliance is failure to meet any of the required terms of an Assistance Agreement.
- Common instances of non-compliance are:
 - Reports submitted late or incomplete.
 - Performance Goals and Measures are not met.
 - Financial Soundness Covenants are not met.
 - Certification Application not submitted if required, denied certification, or certification expired.

Scoring: Non-Compliance

- Last 2 years (generally FY 2004 and FY 2005) of active or recently terminated awards will be evaluated.
 - See NOFA for specifics or contact CME.
- Points will be deducted from overall score, not from a specific section.
- For TA Only Applicants, scoring deductions happen after the Follow-up Review.

Follow-Up Review

- Highest Ranked Applicants receive Follow-Up Reviews.
- Determines appropriate award amount based on Phase 1 readers' comments, base score, and Matching Funds.
- Score does not change.
- Performed by single Reviewer (Fund staff).
- Reviewer may contact Applicant for clarifying information.

Ranking and Awardee Selection

TA Only Applicants and Category I/SECA Applicants

- Must receive minimum number of points in each category.
- Ranked from highest to lowest, based on each Applicant's scores for all five criteria categories added together.
- The Fund selects Awardees from the top of the ranking list until it runs out of available funds.

Ranking and Awardee Selection

Category II/Core Applicants.

- Must receive minimum scores in Management and Financial Health and Viability.
- Ranked from highest to lowest based on the combined scores in Market Analysis, Business Strategy, and Community Development Performance and Effective Use.
- The Fund selects Awardees from the top of the ranking list until it runs out of available funds.

Awardee Notification

- The Fund notifies an Applicant of award decisions via e-mail to the designated Authorized Representative.
- If selected for an award, an Applicant must go to its myCDFIFund account to download and print its Notice of Award.
- Only the Applicant's Account Administrator can access the Notice of Award.
- If an Applicant's e-mail system has a spam blocker function, please ensure that the Fund's main email addresses are listed as acceptable sources. Otherwise, the award notification email may never be received.

Unsuccessful Applicants

- Applications are rejected or declined at 1 of 3 phases:
 1. Application deadline: will reject an Application if it is received late.
 - ~ Will be notified via email usually within a month.
 2. Completeness and eligibility review: will reject an Application if it is found incomplete or ineligible.
 - ~ Will be notified via email usually within a month.
 3. Application review and scoring: may decline an Applicant for substantive reasons.
 - ~ Will be notified via email shortly after awards are announced (usually by late September).

Closing and Disbursement

- Upon notification, Awardees must print, sign, and return the Notice of Award.
- The Fund will contact the Awardee to begin the closing process, which includes entering into an Assistance Agreement.
 - FA Awardees: 3-year Assistance Agreement.
 - TA Awardees: 2-year Assistance Agreement.
- Once the Assistance Agreement has been signed, the Fund will authorize the award disbursement.
 - FA awards disbursed based on Matching Funds in hand at the time of award closing.
 - TA awards disbursed in one lump sum upon closing.

Reporting and Compliance

Key Reporting Requirements

- Annual Report:
 - Institution Level Report.
 - Transaction Level Report.
 - Financial Report.
 - Use of FA and Matching Funds.
 - Use of TA.
 - Other requirements as applicable.
- NOTE: If an Awardee has subsidiaries, it must submit consolidating financial statements so the Fund can clearly see the activities of the Awardee and, if applicable, subsidiaries that are helping to carry out the CBP.

Performance Expectations

- Expected Performance Goals
 - Operating Liquidity Ratio of 1:1.
 - Maximum Portfolio at Risk of 15%.
 - Maintain CAMEL rating of 3 or better (regulated CDFIs).
 - Use 85% of dollars funded for activities in Target Market over 3 years.
 - Non-certified Awardees: become certified as CDFIs.

Reminder!

Deadlines

- Certification of Material Event Form:
 - » January 20, 2006
- CDFI Certification Application:
 - » January 20, 2006
- Request paper application:
 - » January 6, 2006
- Application Submission via Grants.gov:
 - » February 13, 2006
- Paper Attachments due to BPD:
 - » February 16, 2006



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Contacting Grants.gov

Application Materials and Submission:

www.grants.gov

Grants.gov Contact Center:

Support@grants.gov or 1.800.518.4726



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Contacting the Fund

Application Materials and Submission: www.grants.gov

Programmatic Support:

cdfihelp@cdfi.treas.gov or 202.622.6355

Grants Management Support:

grantsmanagement@cdfi.treas.gov or 202.622.8226

Compliance Support:

cme@cdfi.treas.gov or 202.622.8226

Technical Support:

ithelpdesk@cdfi.treas.gov or 202.622.2455

Legal Counsel Support:

See "How to Request a Legal Review" at www.cdfifund.gov



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Expanding Native Opportunity

NACA Program



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Expanding Native Opportunity

Key Barriers Relating to Community Development Finance in Indian Country

- Lack of Financial Institutions on or near Indian Lands
- Lack of Knowledge or Experience with the financial world
- Lack of Technical Assistance Resources
- Lack of Capital, Collateral, and/or Credit Histories
- Historic Absence of Trust Between Tribes and Banks



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Expanding Native Opportunity

What is a Native CDFI?

- A Native CDFI is defined as a CDFI with greater than 50 percent of its activities directed to Native American Communities.
- "Native American" or "Native Communities" refers to any Native American, Alaska Native, or Native Hawaiian populations, lands or census-equivalent entities (with the exception of State or Tribal Designated Statistical Areas).



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Expanding Native Opportunity

Native American CDFI Assistance (NACA) Program

- FA awards (grants, loans, equity investments, secondary capital accounts, deposits, credit union shares) to support financing needs
 - \$1:\$1 match requirement from non-Federal sources
- TA awards for technology, training, consulting services, or operating expenses

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Expanding Native Opportunity

Native Communities Financing Initiative

- Two courses:
 - Intro to CDFIs
 - Institute on CDFI Development
- Participants receive training and on-site TA
- Presented by First Nations Oweesta Corp. and National Community Capital Association (NCCA) on behalf of the CDFI Fund.

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Expanding Native Opportunity

Native IDA Initiative

- Comprehensive training and technical assistance program to help Native communities design and implement Individual Development Accounts (IDAs).
- Presented by CFED, First Nations Oweesta and First Nations Development Institute on behalf of the CDFI Fund.

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